

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3442-01
Bill No.: HB 1293
Subject: Health Care; Health Care Professionals; Health, Public; Insurance - Medical
Type: Original
Date: January 22, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Insurance Dedicated	\$9,850	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$9,850	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state since contraceptives are a covered Medicaid service, this proposal does not fiscally impact their agency.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** deferred their fiscal impact response to the Department of Transportation.

Department of Transportation (DHT) officials assume this legislation requires health insurance policies to offer contraceptive coverage either at no charge or on a formulary. DHT states the legislation also requires no greater deductible or co-payment than any other health care service if contraceptive coverage is provided on a formulary. This legislation will have no fiscal impact on DHT.

DHT states currently the Highway & Patrol Medical Plan does not have a restricted formulary. The Medical Plan has what is considered an open formulary which includes coverage for contraceptives. DHT assumes that this legislation would not impact the Medical Plan due to contraceptives currently being covered. DHT states in addition, contraceptives are not covered at the same deductible and coinsurance as provider services, but are covered the same as other prescription drugs.

DHT states members are currently responsible for a \$300/individual annual deductible and a 10% coinsurance if using a network provider or 20% coinsurance if using an out-of-network provider up to a maximum out-of-pocket amount for medical services. For prescription benefits, members are currently responsible for a \$50/individual annual deductible and a 30% coinsurance. DHT states depending on each individual's circumstances, the member may have a better benefit by covering contraceptives the same as they currently are covered or the better benefit may be by covering them the same as other medical services.

Officials from the **Department of Insurance (INS)** assume insurers and HMOs would be required to amend their policies to comply with this legislation. INS states this legislation requires the coverage to be offered to the contract holder not the enrollee and only for those plans that provide coverage of prescription drugs. Amendments must be filed with INS. INS estimates that 171 insurers and 26 HMOs would be required to file at least one amendment to their policy form with a filing fee of \$50, resulting in revenue of \$9,850 in FY 2003. INS has reached

capacity in policy form reviews and the additional workload created by this legislation would

ASSUMPTION (continued)

cause delays in policy form reviews. Additional staff are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments, the department would need to request additional staff to handle the increase in workload.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** assume this proposal requires plans to offer contraceptive coverage either at no charge or on a formulary. HCP states their plans currently offer oral contraceptives on the formulary at no charge. HCP states according to legislation passed at the last regular session, any entity offering prescription drug coverage must provide coverage for all FDA approved drugs and devices. Therefore, HCP's prescription drug benefit provides other contraceptives at the same co-payment as other prescription drugs. HCP states this proposal will not fiscally impact HCP.

This proposal would result in an increase in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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INSURANCE DEDICATED FUND

<u>Income</u> - Department of Insurance			
Form filing fees	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business would be expected to be fiscally impacted to the extent that they would incur increased health insurance costs due to the requirements of this proposal.

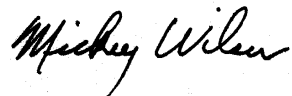
DESCRIPTION

This proposal requires health insurance plans to offer contraceptive coverage at either no charge or as a formulary with a deductible or copayment that does not exceed that of other health care services. The requirement takes effect January 1, 2003.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Insurance
Department of Public Safety -
 Missouri State Highway Patrol
Department of Transportation
Department of Social Services -
 Division of Medical Services



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